

# Connections

## **SMALL BUSINESSES ACROSS THE COUNTRY CAN APPLY FOR SBA ECONOMIC INJURY DISASTER LOANS IN WAKE OF SEPTEMBER 11<sup>TH</sup> TERRORIST ATTACKS**

Prompted by the widespread economic impact of the terrorist attacks on New York City and the Pentagon, the U.S. Small Business Administration has widened access to Economic Injury Disaster Loans (EIDLs) to small businesses across the country.

This action represents a major, unprecedented change in the disaster loan program. Initially, only businesses located in the communities declared disaster areas by the President (New York City and adjacent counties in New Jersey, Connecticut, Pennsylvania and Massachusetts; Arlington County in Virginia and adjacent counties in Virginia, Maryland and the District of Columbia) were eligible to apply for disaster loan assistance from the SBA.

On October 22<sup>nd</sup>, the SBA published regulations to authorize EIDL assistance across the country to eligible small businesses that have suffered substantial economic injury as a direct result of these attacks or a Federal action taken directly after the attacks. EIDLs will provide eligible small businesses with the working capital needed to pay ordinary and necessary operating expenses that they would

have been able to pay had the disaster not occurred.

The application deadline is January 21, 2002.

"As a result of the events of September 11<sup>th</sup>, President Bush recognized the need to help businesses beyond the immediate disaster area," said SBA Administrator Hector V. Barreto.

"I've heard from small business owners all over the country who have suffered losses. The President believes that the wider availability of these loans will provide the necessary capital small businesses

need in a quick and efficient manner," said Barreto. "With the expansion of SBA's economic injury disaster loan program, small businesses across the country can receive help."

Small businesses may apply for a loan of up to \$1.5 million if they have suffered substantial economic injury in the

aftermath of September's terrorist attacks. These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The SBA determines the amount of economic injury, the term of each loan and the payment amount, based on the financial circumstances of each borrower.

Businesses interested in applying for an economic injury disaster loan can contact one of the four SBA disaster area offices to obtain an application.

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## LOANS *Continued from page 1*

Below are the phone numbers for the offices, and the states each office serves:

Niagara Falls, NY 14303  
1-800-659-2955

Serves: Connecticut, District of Columbia, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia and West Virginia

Atlanta, GA 30308  
1-800-359-2227

Serves: Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin

Ft. Worth, TX 76155  
1-800-366-6303

Serves: Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming

Sacramento, CA 95853-4795  
1-800-488-5323

Serves: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon and Washington

In the aftermath of September's attacks, the SBA has made 430 disaster loans for \$45.7 million in the areas surrounding the World Trade Center and the Pentagon.

Find out more about the SBA's disaster assistance program at [www.sba.gov/disaster](http://www.sba.gov/disaster).

## SBA Success

### Indiana Firm Honored

An Indiana company has joined sixty-seven other small businesses from around the country in receiving the U.S. Small Business Administration's (SBA) prestigious Tibbetts Award for their exemplary achievement in the Small Business Innovation Research (SBIR) program. The award was recently presented to Bloomington, Indiana's Communication Disorders Technology, Inc. (CDT) at a

luncheon during the Sixth Annual Tibbetts Awards in Arlington, VA. CDT was the only Indiana company to achieve the honor this year.

"Small businesses are on the cutting edge of nearly every major technological development," said SBA Indiana District Director Janice Wolfe. "The SBA supports this kind of high-end innovation through our two technology programs and the Tibbetts Award recognizes those who have accomplished the most."

The award, named for Roland Tibbetts who led the federal effort to create the SBA's Small Business Innovation Research (SBIR) Program, marks the

accomplishments of those who work with or on behalf of the SBIR program.

Communication Disorders Technology, Inc. was started over a decade ago. CDT's mission is to be a leader in the development of new technologies for speech and hearing professionals (speech pathologists and teachers of the deaf), for teachers of foreign languages, and for teachers of people with developmental disabilities. The mission was conceived in 1984 when Charles Watson, Diane Kewley-Port, and Daniel Maki, professors at Indiana University, discovered that they had a mutual interest in speech recognition technology and its use in speech training systems. Their early research was supported by a three-year grant from the National Science Foundation to develop a computer-based speech trainer for children with articulation disorders. This system became ISTR, the Indiana Speech Training Aid. CDT was formed as a company in 1989 to improve and commercialize ISTR with a Small Business

Innovation Research (SBIR) grant from the National Institutes of Health (NIH). To date, CDT has won ten SBIR Awards, seven Phase I's and three Phase II's totaling more than \$2.5 million. Eight of these awards have been from NIH. Four products have emerged from CDT's SBIR-funded research and development effort.

The original group of three founders plus one programmer has

grown to essentially seven full-time employees.

Jonathan Dalby, Ph.D., leads the team as manager of research and development.

A marketing initiative for three CDT products primarily based

on Internet sales at CDT's website, [www.comdistec.com](http://www.comdistec.com) began a year ago. Additionally, CDT attended the Techno Business Forum 2000 sponsored by the Japanese External Trade Organization (JETRO) and has licensed HearSay to Mouse, Inc. of Osaka for sales in Japan. CDT plans shortly to launch an intensive marketing effort to include all its products and to secure licensing of HearSay in China.

Small businesses receiving the Tibbetts award are selected based on, among other considerations, the economic impact of the technological innovation, overall business achievement, and demonstration of effective collaborations.

The SBIR Program accounts for more than \$1 billion per year in federal research and development funds and is coordinated by the SBA in cooperation with 10 other federal agencies. Details on the program and the award are available on the SBA's home page at <http://www.sba.gov/sbir>.



CDT's Daniel P. Maki (CFO), Jonathan Dalby (Senior Scientist), Diane Kewley-Port (Exec. VP), Charles S. Watson (Pres.) (From left to right)

## New National Ombudsman Appointed

Michael Barrera, an attorney from Kansas City and the former owner and manager of several small businesses, has been named by President Bush to lead the U.S. Small Business Administration's Office of the National Ombudsman.

"As National Ombudsman, Michael Barrera has a crucial job to perform in reducing the federal regulatory stranglehold

upon small businesses," said SBA Administrator Hector V. Barreto. "He will ensure that federal regulatory enforcement and compliance actions are fairly applied to save time and burdensome expense for small business owners."

Barrera's position as National Ombudsman was created by Congress in 1996 under the Small Business Regulatory Enforcement Fairness Act (SBREFA). This legislation empowers the National Ombudsman to receive, investigate, and report complaints and comments from small business owners regarding federal regulatory enforcement and compliance actions.

The act also created 10 Regional Fairness Boards to provide small businesses with the opportunity to comment on enforcement activity by federal regulatory agencies.

"Through this provision, Congress and the President created a forum for small businesses to participate in the regulatory process by establishing a process for expressing their views and sharing their experiences about federal regulatory activity," said Barreto.

Barrera received his law degree from the University of Texas School of Law in 1989 and a bachelor's degree from Kansas State



Michael Barrera

University in 1982. He is a member of the Missouri Bar Association, Kansas City Metropolitan Bar Association and Hispanic Bar Association, and is a former member of the Texas Bar Association.

In private practice, he co-founded two law firms in Kansas City focusing on general civil litigation, small business startups, workers' compensation, criminal defense, and personal injury. Barrera's legal experience includes service as an Assistant Prosecuting Attorney for Jackson County, Mo.

In addition to running two law firms, Mr. Barrera's small business experience includes management of two family-owned restaurants in the Kansas City area. As past chairman and president of the Hispanic Chamber of Commerce of Greater Kansas City, he helped increase membership by 600 percent and corporate funding by 400 percent.

## Regulatory Fairness Hearing Held in Indianapolis

On December 4, 2001, the Office of the National Ombudsman conducted a Regulatory Fairness



Edward J. Bowman, State Director, National Federation of Independent Business, took the opportunity to make remarks to the SBA National Ombudsman.

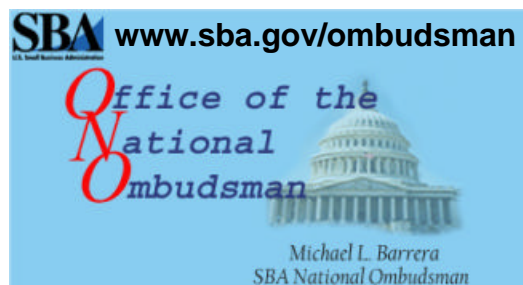
Hearing at the Indiana War Memorial in Indianapolis.

The first regulatory hearing to be held in Indiana offered small businesses and trade/business associations a prime opportunity to offer feedback and suggestions on federal government regulatory

enforcement and compliance actions affecting small businesses.

Approximately 60 individuals attended the hearing that featured testimony and comments from seven individuals. Several trade association groups, small business organizations, and small business owners presented remarks.

For more information about the Office of the National Ombudsman, visit their website at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) or call 1-888-REG-FAIR.



## SBA Launches New Internet Site for America's Small Businesses

Small business owners now will have access to legal and regulatory business information at their fingertips through *BusinessLaw.gov* – a new Web site designed to help them reduce the burden of complying with laws and regulations.

*BusinessLaw.gov* helps end-users identify and solve their problems by using searchable "frequently asked questions" and interactive digital guides called "business wizards." These tools lead small business customers to the answers they need at every stage of the regulatory cycle.

In addition to serving as the foundation for a central business, local, state and federal regulatory compliance resource for entrepreneurs, the site can be used by business managers, counselors, teachers and legal professionals as an educational guide.



## To Lease or Not to Lease

### Get The Answers

Should you buy or should you lease your building space and your equipment when you start out in a new small business? Very often, it's smarter to lease rather than take on the large financial outlays or debts necessary to buy.

When it's smarter to lease, here are some of the questions you should ask before putting your name on the dotted line:

1. Does the lease specifically state the square footage of the premises? The total rentable square footage of the building?
2. Is the tenant's share of expenses based on total square footage of the building or the square footage leased by the landlord? Your share may be lower if it's based on the total square footage.
3. Do the base year expenses reflect full occupancy or are they adjusted to full occupancy (i.e., base year real estate taxes on an unfinished building are lower than in subsequent years)?
4. Must the landlord provide a detailed list of expenses, prepared by a CPA, to support increases?
5. Does the lease clearly give the tenant the right to audit the landlord's books or records?
6. If use of the building is interrupted, does the lease define the remedies available to the tenant, such as rent abatement or lease cancellation?
7. If the landlord does not meet repair responsibilities, can the tenant make the repairs, after notice to the landlord, and deduct the cost from the rent?
8. Is the landlord required to obtain nondisturbance agreements from current and future lenders?
9. Does the lease clearly define how disputes will be decided?

(Source: 327 Questions to Ask Before You Sign a Lease, by B. Alan Whitson (B. Alan Whitson Co., (800) 452-4480.)

## SBA Update

### SBA Magazine Premiers on WCTY

The Indiana District Office is proud to unveil *SBA Magazine*. The thirty-minute television program appears throughout the Indianapolis area each month on WCTY Channel 16, Indianapolis' government access channel.

The program is co-hosted by District Director Jan Wolfe and Public Information Officer Darrell Mowery.

Designed to profile a different SBA program each month, the show will feature a guest who is an expert on the show's topic and a small business that has used the program or service.

SBA Magazine can be seen on Comcast Channel 28 and Time-Warner Channel 17. Watch local listings for viewing times.

### Office of Advocacy Offering On-line Information

The SBA Office of Advocacy now has three email lists that offer a wide range of information for people interested in small business news, statistics, research, and regulation. Click on the links below to join one or more of them.

- Subscribers to "The Small Business Advocate" list will receive Advocacy's monthly newsletter. The Advocate highlights Advocacy's efforts to

reduce regulation, the results of our economic research, and offers features about small business issues. To receive Advocacy's monthly newsletter "The Small Business Advocate" via email. Visit <http://www.sba.gov/advo/news> and click on "subscribe electronically".

- Subscribers to the "News Releases" list will receive Advocacy's news releases as they are issued. To receive Advocacy's News Releases via email visit <http://www.sba.gov/news/indexadvocacy.html> and click on "subscribe electronically".
- Subscribers to Advocacy's "Small Business Research and Statistics" list will receive the results of Advocacy's wide ranging small business economic research via email. To receive Advocacy's research results visit <http://ganges.sba.gov/list-bin/wa?SUBED1=advocacyresearch&A=1> to join the list.
- Subscribers to Advocacy's "Regulatory Communications" list will receive Advocacy's copies of letters to federal agencies, testimony before Congress and other regulatory communications via email. To receive Advocacy's regulatory testimony visit <http://ganges.sba.gov/list-bin/wa?SUBED1=advocacycommunications&A=1> to join the list.



## Seasons Greetings

